

Georgia Department of Human Resources

OFFICE OF INVESTIGATIVE SERVICES

The Office of Investigative Services was established in 1979 to investigate fraud in public assistance programs such as Temporary Assistance for Needy Families (TANF; formerly AFDC), food stamps and child care. The office also investigates suspected employee misconduct and misuse of funds within DHR and by anyone contracted to DHR. In state FY 2002, the office:

- Investigated 15,929 cases of suspected fraud;
- Discovered \$9.5 million in TANF and food stamp overpayments due to fraud and client error, all of which must be repaid.

In federal fiscal year 2001, the office:

- Ranked number two in the Southeast in the number of all claims established.
- Ranked number one in the Southeast in the amount of fraud claims collected.
- Ranked number one in the Southeast in the number of intentional program violation claims established.

State	Families receiving Food stamps (FFY 01)	Fraud claims established (FFY01)	Fraud claims collected (FFY 01)
Florida	425,955	\$2,859,813	\$4,042,654
Georgia	235,633	\$3,944,515	\$4,660,688
Mississippi	115,994	\$1,940,154	\$3,295,578
N. Carolina	213,420	\$2,072,612	\$1,628,232
Tennessee	226,224	\$4,928,418	\$3,963,090

Source: U.S. Department of Agriculture

The Office of Investigative Services Administrative Office, Special Projects Office and the Enforcement Unit are located at 2 Peachtree Street, Atlanta, GA 30303. Three regional offices are located in the metro Atlanta area, with eight other offices located throughout the state in Albany, Augusta, Cartersville, Columbus, Gainesville, Macon, Savannah and Waycross. In FY 2002, the office had 113 staff positions and a \$6.3 million budget, including \$2.3 million in state funds.

Public assistance program fraud

Local departments of Family and Children Services contact the Office of Investigative Services to report suspected fraud by TANF and food stamp recipients. Each report is assigned to a regional investigator. The investigator conducts an investigation to determine whether an overpayment or fraud exists. Fraud occurs when a person withholds or falsifies information to receive public assistance for which he or she is not eligible.

Electronic Benefit Transfer (EBT) card trafficking occurs when a person sells their food stamp benefits for cash. This can occur in a variety of ways. The most common is when a recipient goes to a vendor and with that vendor's cooperation swipes the EBT card for a specific dollar value. The vendor then gives the recipient cash for less than the

amount deducted from the card. No actual sale has transpired and the vendor keeps the majority of the amount deducted from the client's card.

During FY 2002, a total of \$1.1 million in fraud claims were established in the childcare program. Childcare program funding has increased with welfare reform and has resulted in a noticeable increase in overpayments. Childcare fraud occurs when people withhold or falsify information to receive childcare benefits for which they are not eligible. Fraud also occurs when the benefits are not paid to the authorized provider, the providers bill for children they do not keep or the client fails to report a change in status such as no longer working.

Cases of overpayment due to agency or client error are forwarded to the Division of Family and Children Services for collection. Cases involving client fraud are adjudicated through either an administrative disqualification hearing or the judicial system, depending on the amount of fraud and the number of violations the client has.

All overpayments, regardless of type, must be repaid. In fraudulent cases that are adjudicated, clients are disqualified for varying periods depending on whether it is their first, second or third violation and on whether they are convicted in court, sign a consent agreement, or have an administrative hearing.

Successful adjudication of fraud cases not only recovers the overpayments in public assistance, but also saves money through program disqualification. Money not spent on TANF and food stamps due to program disqualification exceeds \$5 million annually.

Internal investigations

The Office of Investigative Services also investigates allegations of employee misconduct and misuse of funds for all DHR divisions and offices. During FY 2002, 48 internal investigations were completed.

Only division directors and the DHR commissioner can request an investigation. The internal investigation is routinely assigned to an investigator with the rank of Senior Investigator or above. Final written reports are forwarded to the division director and the DHR commissioner's office. Division or office directors take any actions necessary to correct problems that are found.